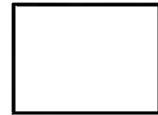S E C R E T

CONFIDENTIAL

GENERAL

25X1

1. <u>US views on Western Germany</u>--The Department of State observes to US High Commissioner McCloy in Frankfurt that the apparently growing tendency of West German Government and opposition leaders to proceed more cautiously in bringing the Federal Republic into the Western community of nations may indicate a reluctance to take sides in the East-West struggle. The Department considers that although there may be some legitimate basis for this new German caution, it is important to disabuse the Germans of "any notion that the use of the East-West situation to wring concessions from the West can be productive or helpful." The Department comments that such tactics by the Germans could only "undermine whatever confidence may have already developed in other Western countries regarding the German people and Government" and would "create a climate which would hardly be conducive to the granting of broader powers to the Federal Republic in the near future."

FAR EAST

25X1

2. INDONESIA: <u>Griffin recommends US aid</u>--US representative Griffin concludes his survey of the need and prospects for US aid to Southeast Asia with a recommendation for an assistance program for Indonesia totaling more than $14 million. The recommended program emphasizes the need for general aid in the fields of agriculture, health, and education, with particular assistance requested for the purchase of cotton textiles for clothing. Griffin feels that vigorous and prompt action in all phases of the program is required to prevent further deterioration of the Indonesian economy. Griffin believes that Indonesia is a "promising example of an effort to introduce Western-type democracy" to Southeast Asia and comments that Indonesian officials "have energy, good will, high intentions, and integrity" but lack experience in posts of great responsibility.

CONFIDENTIAL